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Statement by the ~~Honorable Bob Bergland~~
Secretary of Agriculture
to the
Committee on Agriculture,
House of Representatives
Tuesday, January 29, 1980

Mr. Chairman, everyone who shares with this Committee a deep and abiding concern for America's agricultural system has been through three of the most difficult but yet rewarding weeks in recent memory.

It is in that spirit that I sincerely welcome this opportunity to meet with you, Mr. Chairman, and with the members of a Committee on which I served and which I regard so highly.

President Carter's response to the Soviet invasion of Afghanistan was clearly essential. The steps he announced on January 4, 1980, and since then were absolutely necessary.

I want to state for the record that I supported every one of these steps in the councils of the administration before the President made his decisions and I support them today.

The reaction of the market, the reaction of the vast majority of farm leaders, and the reaction of farmers themselves has been enormously positive.

It is this reaction and the steps we have taken and may take in the next few weeks that I will discuss with you today, rather than reciting the history of these unprecedented decisions--a history which all of us now know quite well.

Understandably, there was immediate fear and misgiving after the President's decision to prohibit shipments of agricultural products to the Soviet Union above the 8 million tons of grain committed under the five-year supply agreement.

Market Reaction to USDA Initiatives

But the strength of market prices in the face of the suspension, I am pleased to say, has largely dissolved those fears and has begun to put confidence in place of those earlier misgivings.

I do not suggest that we have succeeded in our every objective. But I will state without hesitation that the record of the past three weeks has been extremely positive, and that the outlook remains upbeat.

Mr. Chairman, at one time or another, at one location or another, the market price for wheat, corn, and soybeans has exceeded the levels of January 4.

Our outlook for total exports, even without the Soviet Union, is for another new record this year and for continued growth. Export loadings of grain the last three weeks have continued to break records.

This nation's commitment to expanded food aid, and our ability to deliver on that commitment, has been broadened--a step that not only alleviates the market impact on farmers but surely will be welcomed by nations with growing food deficits.

Put in the simplest possible terms, the series of program changes and decisions which we have made in the short-range are successfully fulfilling the President's commitment that farmers do not bear the full burden of the suspension.

The long-range impact can best be understood in terms of how the events of these weeks may affect our collective outlook, our agricultural system and our export markets.

It is critical to understand that a good deal of the market strength of recent days is coming from the fundamental understanding that the Soviet Union is not the whole ball game for American farm exports.

If the suspension does nothing else, one of its important side-effects may be to help us shake the mistaken notion that the Kremlin and our export fortunes are synonymous.

The Soviet Union is not and never has been our most significant export customer. Even without additional Soviet purchases this year, U.S. agricultural exports will set new records both in volume and in dollar value. Even without the USSR sales over 8 million tons, we are projecting wheat and feed grain exports this year of about 102 million tons, compared with 93 million tons last year, and wheat and feed grain export earnings of around $15.0 billion, compared with $11.4 billion the previous year.

The Soviet share of our export market can be understood more clearly by recognizing that all other export markets have accounted for most of the growth in our export sales--and it is steady, sustainable growth that is less dependent on the rapidly-shifting currents of weather and international politics.

Despite the suspension and dock workers' refusal to load vessels bound for the Soviet Union at east and Gulf coast ports, grain exports from all United States ports broke new records in the first two weeks after the President's announcement.

In the two weeks ended January 17, our inspectors certified for export more than 91 million bushels of corn, compared with 64 million in the same period last year; 36 million bushels of wheat, compared with 32 million a year earlier; and 46 million bushels of soybeans, compared with 34 million in the same two weeks a year earlier. Grain and soybean exports in total for those two weeks amounted to 193 million bushels, compared with 141 million bushels in the same two weeks last year.

We can explain the significance of the Soviet market in another way. During the fourth quarter of 1979, average weekly use of U.S. feed grains--both domestic use and exports--amounted to 4.4 million tons. That means the 13 million tons not going to the Soviet Union during this agreement year is the equivalent of three weeks' use of our feed grain supply.

The results and the outlook I have described are possible because of actions which I can best describe in three stages.

Immediate Steps Taken

First, we had to deal with the potential immediate impact of the suspension. Approximately 13 million tons of corn and 4 million tons of wheat that had been expected to go to the Soviet Union were not going to go. Contracts between U.S. exporters and the Soviet Union for much of that grain had been executed; behind those contracts were hundreds of others--with local elevators and dealers, all the way back to the grain producer.

Failure to meet the export contracts would have resulted in a complete collapse of the market. Creditors who financed the exporters would have required that undelivered grain and forward contracts for delivery of grain be resold to minimize losses. Likely some contracts would have been defaulted. The effect would have been a cascading of panic sales as creditors of local elevators and producers would have forced additional sales.

In short, it could have meant hundreds of millions of dollars of losses throughout the market chain, ultimately hitting the farmer hardest of all.

To avert such a collapse, we have offered to assume the contract obligations for the undelivered grain.

In the case of corn, the Commodity Credit Corporation (CCC) can either take physical delivery of the corn, or it can arrange the sale of the contract to another party.

If CCC takes delivery of the corn, it cannot be sold back into the market for less than $3.15 a bushel at the farm, because the law requires that the selling price must be at least 150 percent of the loan rate. If CCC arranges to sell the contract to a third party, that corn will not be moved back onto the market until the farm price is above the level of January 4.

Although the President stated clearly his intention to fulfill the United States obligation to fulfill our commitment to ship 8 million tons of corn and wheat to the Soviet Union, the International Longshoremen's Association is refusing to load the unshipped portion of that quantity, approximately 2.5 million tons.

Therefore, in addition to assuming the contract obligations for those quantities over 8 million tons, we agreed to work closely with exporters and their suppliers to purchase or divert grain intended for immediate shipment to the Soviet Union in an effort to unclog the transportation and storage system.

In addition, to speed the recovery of local cash markets in those areas most seriously affected by the transportation bottleneck, we will offer to buy corn at the local level as necessary to relieve congestion.

Food Security Reserve Legislation

The CCC also will assume all of the contract obligations for wheat intended for shipment to the Soviet Union. However, unlike the corn, none of the wheat will move back into the commercial market. Instead, we pledge that we will reserve it for use in our foreign food assistance programs and we renew our request to the Congress for legislation which will guarantee that it never will be used for any purpose other than humanitarian assistance.

I have appeared before this Committee to request enactment of legislation which would permit us to hold up to 4 million tons of wheat in reserve for international food assistance during periods of tight supplies and high prices. We do have authority to purchase, and we will use that authority for these purposes. But I renew today my request for a statutory requirement that this and any future administration use these commodities only to honor our food assistance commitments, and not to compete in commercial markets.

When supplies were tight in 1974, food assistance was curtailed severely. That reduction came precisely at a time when the need for food assistance was greater than ever. The cuts were not made because policymakers were insensitive; the legal authorities available at the time simply precluded any other result.

This does not do much for this country's reputation as a humanitarian nation. We need precise authority that assures that government-owned grain can be used in situations where we otherwise would have to cut back on food assistance.

As you know, our appropriation for fiscal year 1980 for the Public Law 480 program is less than is required to meet our targets for food assistance. This is due in part to the fact that market prices increased substantially after the budget was submitted a year ago and, therefore, with available funds we were not able to allocate the quantities anticipated.

Late last year we requested a supplemental appropriation of $96 million to meet our quantity targets. As a part of our effort to alleviate the effects of the suspension, the President soon amend that request with an additional $100 million to further increase our P.L. 480 program.

That $196 million, added to the $1.5 billion already appropriated, is expected to permit us to finance the purchase of nearly 6.5 million tons of U.S. farm products for international food assistance in the current fiscal year, compared with 6.3 million tons in fiscal year 1979.

Farm Program Modifications

The second set of actions was taken to isolate from the market grain still owned by farmers, as well as the grain farmers had intended to plant during the current crop year to meet expected Soviet demand.

We have expanded the farmer-owned grain reserve by offering greater incentives for farmers to participate in that program. By doing so, the supply of grain available to the commercial market should decline, and prices will be further protected.

Specific actions taken by the department include:

- o increasing the wheat loan price from $2.35 to $2.50 a bushel;
- o increasing the corn loan price from $2.00 to $2.10 a bushel, with comparable increases in loan prices for the other feed grains;
- o increasing the reserve release price for wheat from $3.29 to $3.75 a bushel--which represents 150 percent of the new loan price;
- o increasing the reserve call price for wheat from $4.11 to $4.63 a bushel, which represents 185 percent of the new loan price;
- o increase the reserve release price for corn from $2.50 to $2.63 a bushel, which represents 125 percent of the new loan price;
- o increasing the reserve call price for corn from $2.80 to $3.05 a bushel, which represents 145 percent of the new loan price;
- o increasing the reserve release and call prices for the other feed grains comparable to corn;
- o waiving the first year interest costs for the first 13 million tons of corn placed in reserve after October 22, 1979;
- o increasing the reserve storage payments from 25 to 26.5 cents per bushel for all reserve commodities except oats, which is increased from 19 to 20 cents a bushel.

The third part of the package consists of longer-term steps together with continuous assessment of other steps which might be taken if they should prove necessary.

On Saturday, January 5, the day following the President's announcement, I disclosed that we were making available in the current fiscal year a record amount of export credit--$1.8 billion, and that in the coming year, fiscal 1981, we will make available a new record $2 billion in export credit.

This additional financing will make it easier for both our traditional customers and for developing countries to meet more of their import needs from commercial sources, with the ultimate effect of expanding even further our already growing exports.

We are confident that the steps we have already taken will offset the effect of the suspension on farmers now and in the near future.

But we do not know--nobody knows--how long the suspension will remain in effect. For this reason, we need to consider those actions which will keep farm prices at reasonable levels over the long term.

Although there will be no set-aside in 1980, we have full legal authority to offer a paid diversion program which would have the same effect on supply as a set-aside. Although there is not yet conclusive evidence that it is necessary, we will not hesitate to implement a diversion program if the situation requires it.

Impact of the Suspension

During times of national crisis, the American people have always been willing to make whatever sacrifices are necessary to meet the challenges that such events pose. This is a time when some sacrifice will be called for. But I am firmly convinced that the actions we have taken will reduce, for farmers, the amount of sacrifice to much lower levels than one might have expected.

We expect these measures to cushion any reduction in farm income that might have resulted from the Soviet suspension. U.S. net farm income has been forecast to decline about a fifth in 1980, but that decline will be due primarily to increased costs of production, especially energy. Reduced cash receipts for hogs and poultry are a major factor in the expected decline.

We are convinced that grain prices, over the season, will be at least as high as they would have been had we not taken the suspension action.

What we have done is to pull out all the stops to make sure that the suspension does not alter supply and demand fundamentals. By taking out of the market the bushel grain destined for the Soviet Union, there is no more grain available for trade than there would have been had the grain been delivered.

But that minimizes the scope of our actions. There are producers in your states who are going to put more into reserve than they had originally planned. That grain will not be available to the market unless wheat prices rise above $3.75 a bushel, and corn prices surpass $2.63 a bushel.

What will push prices up? Movement of grain into the reserve is one key factor. That will further tighten the available supply and exert upward pressure on prices.

Additional Export Markets

Another way to tighten the supply is to move the grain into other export channels. We are working to aggressively promote our agricultural products to other countries, and already have had considerable success.

Mexico has agreed to buy 7.15 million tons of U.S. agricultural commodities this year. Added to earlier commitments, this will be about 1 million tons, mostly feed grains, above what we had expected them to buy this year, and almost double what they purchased from us in 1979.

In late 1978, China told us it expects to buy 5 to 6 million tons of corn and wheat each year, and while their contracts to date have not reached these levels, we have no reason to believe that they will not. Japan and the European Community--both of which bought more of our products than the Soviet Union--can be expected to maintain their high import levels this year.

Taxpayers will not suffer appreciably from the cost of the actions taken to offset the effects of the suspension. We expect the total cost of those actions--the assumption of contracts, and the changes in the farmer-owned reserve--to range between \$2.5 and \$3.0 billion for the combined fiscal years 1980 and 1981. That comes to less than \$14 per person for that two-year period.

Further, that \$14 is not by any means a net cost. A significant chunk of the money we spend on these programs is in the form of loans or credits. Farmers will be putting more commodities into reserve, but these commodities will be available to come back into the market when prices move above the reserve levels. When that happens, reserve loans will be repaid, and a receipt will go back to the taxpayers. I believe that at least half the total expenditure will come back to the Treasury--which means that the net cost of these actions will be about \$7 per person.

<u>The Cost to the Soviet Union</u>

While we have calculated the impact of the suspension on Americans to be relatively small, we expect that the reverse will be true for the Soviet Union.

Without grain that they had counted on, Soviet policymakers will be unable to sustain their long-term effort to improve their peoples' diets by increasing the amount of available meat. There will be substantially less grain to feed to livestock--at least 5 percent less as a result of this suspension.

These actions could not have come at a worse time for the Soviet Union. The Soviet agricultural plant is particularly vulnerable to weather, and last year's grain crop was an especially disappointing 179 million tons. That is 58 million tons below the previous year's record, and 48 million tons below what their plans called for.

Nor is it likely that the Soviets will be able to purchase much of the grain they need elsewhere. Most of our grain trading partners--Canada, Australia, and the European Community--have promised not to replace the 17 million tons of grain we have withheld from the Soviets. The shipments from these countries together with our own grain exports account for about 85 percent of the world trade in grains.

We asked the principal grain exporters on January 12 that they not provide grains above those already committed to the USSR.

Although there was not complete agreement by the Government of Argentina, their delegation stated that in no case does their Government intend to take trade advantages from the present situation. Neither will it seek to alter artifically the current demands of the different markets.

Export commitments by Argentina are much more uncertain since they are just beginning to export their new crop of wheat and their current corn crop will not be harvested before April. It is clear to us that in the absence of a separate commitment from Argentina, some amount of Soviet grain imports will be replaced from Argentina. There is also the potential for direct and indirect transshipment of grains exported by cooperating countries to the Soviet Union. We estimate the potential for replacement at 1 to 2 million tons of wheat and 3 to 7 million tons of feed grains.

Our best estimate is that the USSR will be able to import no more than 23 million tons of the 35 million tons which they apparently had hoped to import from all sources. About three-fourths of that deficit would be in feed grains.

Livestock Plans in the USSR

It appears both meat and milk production in the Soviet Union have fallen below their plan, and actually declined from 1978 to 1979. As of December 1, meat production in the socialized sector--accounting for more than 70 percent of total output--was down about 2 percent from 1978.

With declining meat output, the Soviets found themselves in a situation where dietary improvements could not be maintained. Given this situation, the suspension will sharply reduce the availability of grain to the Soviet livestock industry, especially in the late winter and spring. We expect that the main impact of the decrease will hit in the five months from March through July.

We now estimate that Soviet use of grain for feed this year will drop at least 5 percent from the pre-suspension forecast. The reduction in grain fed will be exacerbated by its concentration during the late winter, spring and summer when U.S. exports will cease and when Southern Hemisphere production is still not ready for export. Consequently, the relative shortfall during this period will be more severe, and may force a reduction in hog and poultry numbers.

Soviet meat production in 1980 could be down significantly from 1979. Meat consumption stagnated at about 57 kilograms (125 pounds) per capita since 1975. The prospective drop in 1980 meat output could be expected to lower consumption roughly by 4 percent and aggravate the concerns of Soviet consumers expecting further improvement in meat supplies.

We have been asked frequently whether the President's decision will hurt the Soviets more than it hurts the American farmer. Unequivocally, the answer is yes.

No Comparison with 1973, 1975

It is important to look at the decisions of January 4 in their historical context, especially as they compare with earlier suspensions of trade which have had serious impacts on U.S. producers.

There are two essential similarities between President Carter's order suspending agricultural sales to the USSR and those orders of his predecessors in 1973 and 1975, but there are two distinctions which are even more critical to point out.

The actions are similar in that the authority for all three suspensions came from the Export Administration Act, as amended, and in that, stated simply, the decision to withhold the sale of agricultural products has a potential for sustantially decreasing domestic farm prices.

But the differences are far more crucial.

The 1973 and 1975 decisions were taken after a determination of short supply conditions for the affected commodities--in other words, simply to drive down prices or to halt their anticipated increase. These actions succeeded in that purpose.

President Carter's decision was taken on two other grounds specified in the act--for reasons of urgent national security and foreign policy considerations.

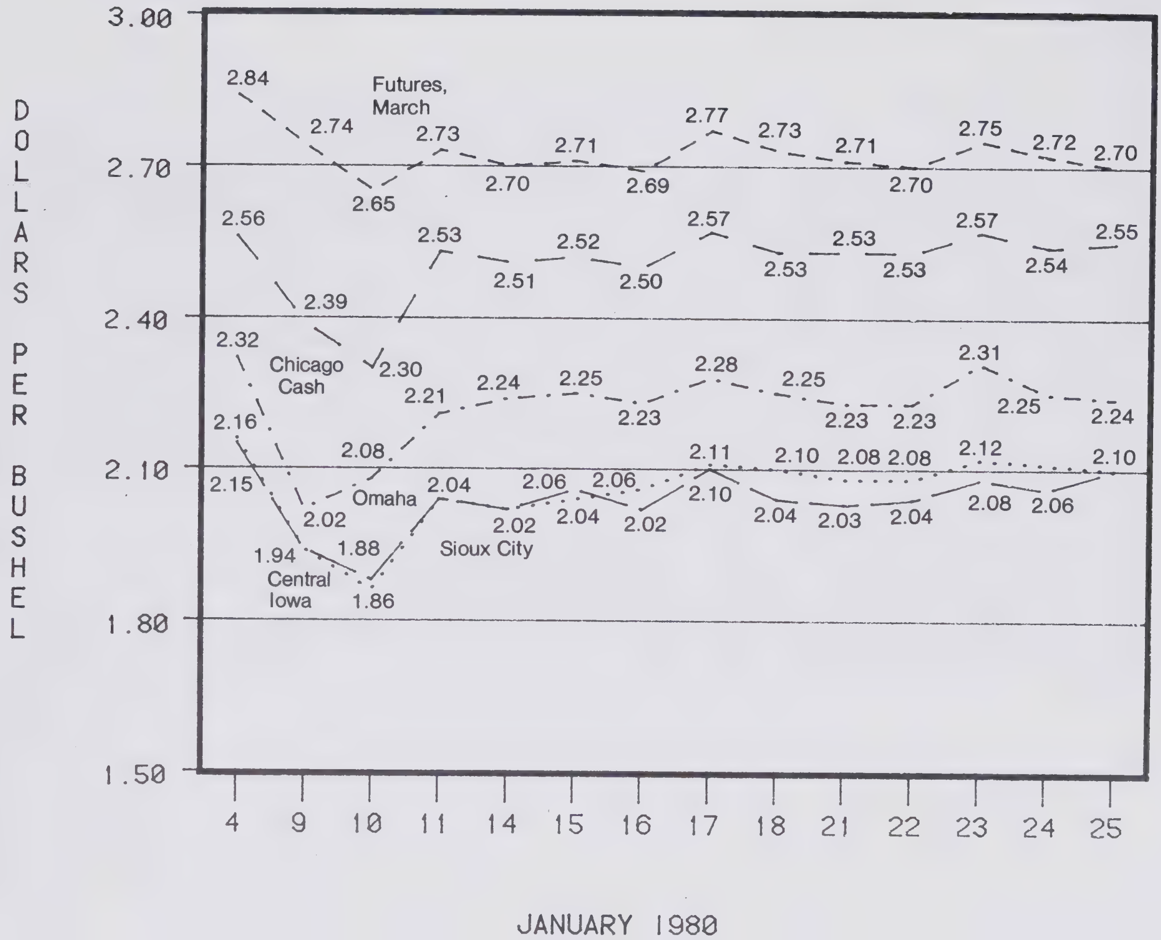
The second essential difference is that, in the first two instances, not a finger was lifted by this government to mitigate any potential losses to the American farmer. In this instance, the President said in his address to the nation on January 4, and I quote:

"I am determined to minimize any adverse effect on the American farmer from this action."

I am proud to say that the President's determination is a firm one and an absolute one. We have been taking steps, almost every day, to assure that his commitment is upheld.

Given the steps we have taken, and considering those we are pledged to take if they should prove necessary, I think that any reasonable observer must conclude that this administration is living up to that commitment.

Daily Corn Prices: Futures and Cash



Futures and cash prices for corn, wheat and soybeans 1/

Month & date	Futures			Cash										
				Corn						Wheat		Soybeans	Gulf Corn	
	Corn 2/	Wheat 2/	Soybeans 2/	Chicago 3/	Omaha 3/	Iowa 4/	W. Kansas 5/	Columbia S.C.6/	Portland 7/	Chicago 8/	Kansas City9/	Chicago 10/	Rail 11/	Barge 11/
Jan. 3	2.87	4.46	6.70	2.63	2.35	2.18	2.44	2.83	3.14	4.36	4.40	6.23	286	284
Jan. 4	2.84	4.46	6.66	2.56	2.33	2.15	NQ	2.83	3.12	4.36	4.39	6.15	280	282
Jan. 7	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ
Jan. 8	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ	NQ
Jan. 9	2.74	4.26	6.36	2.39	2.02	1.94	NQ	NQ	NQ	3.96	4.05	5.63	NQ	NQ
Jan. 10	2.65	4.15	6.52	2.30	2.09	1.86	2.21	2.48	NQ	4.05	4.01	5.97	247	246
Jan. 11	2.73	4.25	6.58	2.53	2.21	2.04	2.28	2.48	3.02	4.15	4.14	6.05	261	261
Jan. 14	2.70	4.27	6.58	2.51	2.24	2.02	2.26	2.63	3.00	4.17	4.20	6.06	264	269
Jan. 15	2.71	4.33	6.56	2.52	2.25	2.04	2.26	2.64	3.06	4.23	4.26	6.16	264	270
Jan. 16	2.70	4.35	6.55	2.50	2.23	2.06	2.26	2.64	3.04	4.25	4.28	6.20	266	272
Jan. 17	2.77	4.54	6.77	2.57	2.29	2.11	2.34	2.70	3.11	4.44	4.35	6.42	271	274
Jan. 18	2.73	4.51	6.71	2.53	2.25	2.10	2.34	2.70	3.08	4.41	4.35	6.36	265	268
Jan. 21	2.71	4.46	6.62	2.53	2.23	2.08	2.32	2.64	3.06	4.42	4.35	6.28	263	271
Jan. 22	2.70	4.50	6.58	2.53	2.23	2.08	2.30	2.66	3.04	4.45	4.42	6.24	266	272
Jan. 23	2.75	4.57	6.72	2.57	2.31	2.12	2.36	2.70	3.09	4.52	4.44	6.37	270	270
Jan. 24	2.72	4.51	6.63	2.54	2.25	2.11	2.35	2.68	3.06	4.46	4.45	6.29	2.66	2.65
Jan. 25	2.70	4.49	6.60	2.55	2.24	2.10	2.33	2.68	3.05	4.44	4.42	6.34	2.66	2.65

NQ = no quote. 1/ Dollars per bushel. 2/ March contracts, Chicago Board of Trade. 3/ Cash prices at terminals for #2 yellow corn. 4/ Midpoint of price range bid to farmers at elevators in Central Iowa. 5/ Midpoint of price range bid to farmers at elevators in Eastern Colorado and Western Kansas. 6/ Prices at elevators for Central areas of S. C. 7/ Prices at elevators for Eastern origin #2 yellow. 8/ Prices at terminals for #1 soft red winter. 9/ Prices at terminals for #1 hard red winter. 10/ Prices at terminals for #1 yellow. 11/ Export terminal price for #2 yellow corn, prompt or 30-day delivery.

January 28, 1980

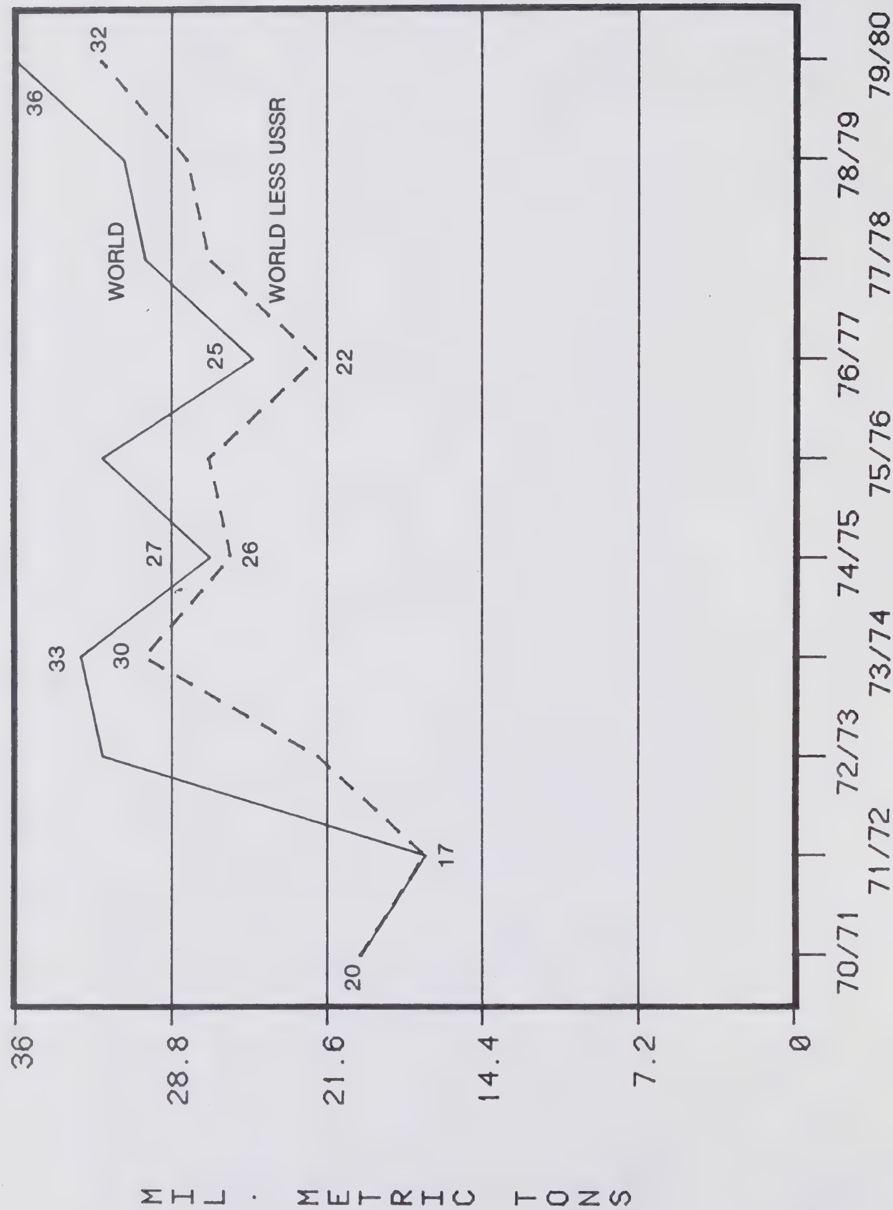
Inspections for Export, Weekly and Cumulative Totals,
January 3 to 17, 1980

(1,000 Bushels)

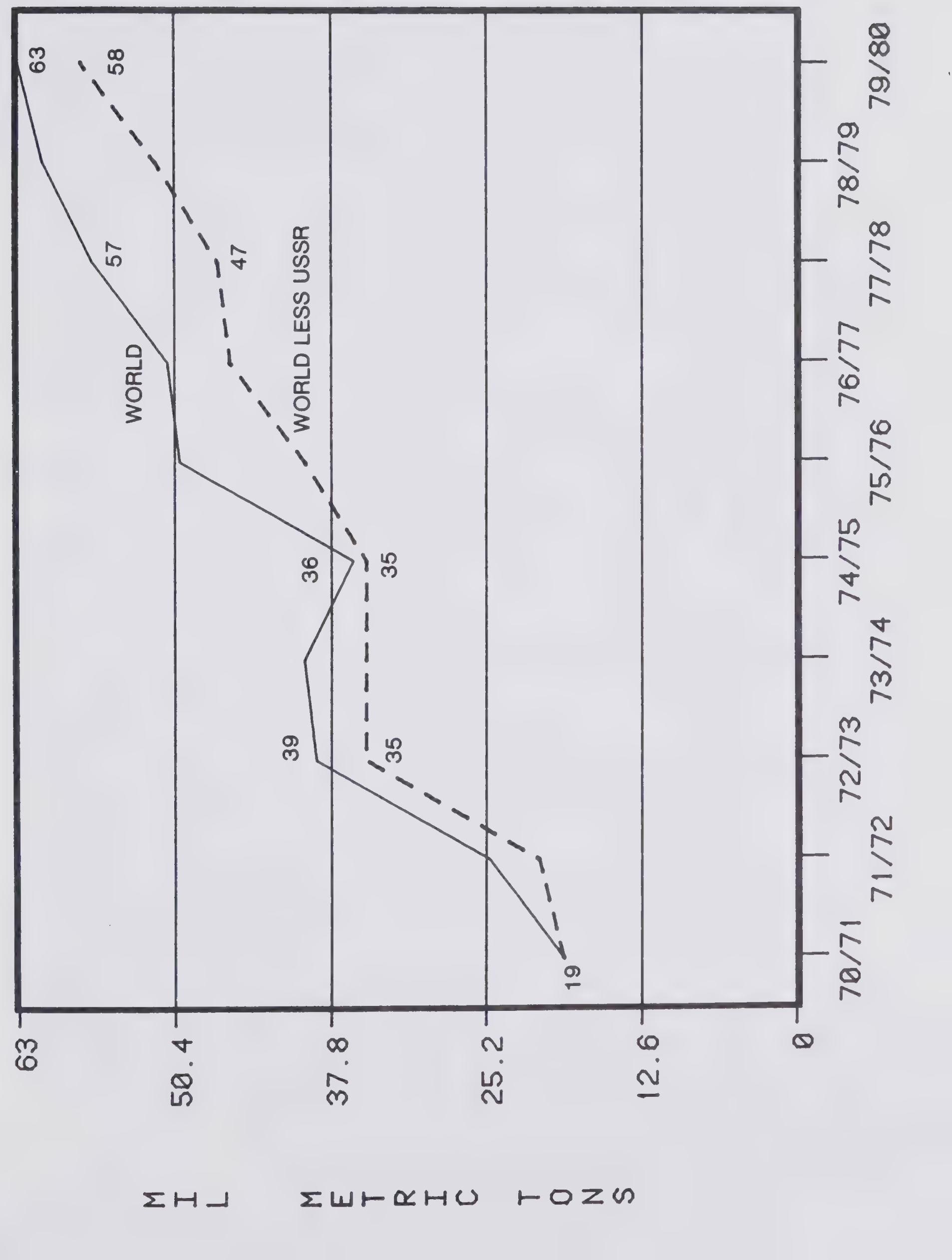
Week Ending	CORN		WHEAT		SOYBEANS		OTHER FEEDGRAINS 1/		TOTAL	
	1979/80	1978/79	1979/80	1978/79	1979/80	1978/79	1979/80	1978/79	1979/80	1978/79
January 3	42,783	22,774	28,004	11,562	9,610	13,412	4,278	2,563	84,675	50,311
January 10	44,203	29,165	16,618	15,946	26,207	18,509	8,387	4,065	95,415	67,685
January 17	46,989	35,058	19,878	16,838	19,825	15,640	11,077	9,110	97,769	74,646
3-Week Total	133,975	86,997	64,500	44,346	55,642	47,561	23,742	15,738	277,859	192,642
Season to date as to Jan. 17	755,089	520,417	887,883	803,877	359,499	344,002	130,562	85,888	2,133,032	1,754,195

1/ Includes oats, barley, rye, flaxseed and sorghum.

U.S. Wheat Exports



U.S. Feed Grain Exports



U.S. exports of wheat and coarse grains and soybeans by major destinations, 1976/77-1979/80 marketing years 1/

Destination	WHEAT				COARSE GRAINS				TOTAL			
	76/77	77/78	78/79	Forecast 79/80	76/77	77/78	Estimate 78/79	Forecast 79/80	76/77	77/78	78/79	Forecast 79/80
EC-9	1.5	2.3	2.3	2.2	17.4	10.6	9.4	11.0	18.9	12.9	11.7	13.2
Other W. Europe	0.5	0.8	1.0	1.3	5.9	7.5	6.5	7.0	6.4	8.3	7.5	8.3
Eastern Europe	1.5	1.2	0.7	3.2	4.7	4.1	6.0	6.4	6.2	5.3	6.7	9.6
USSR	2.6	3.4	2.6	4.5	3.1	11.1	11.3	5.0	5.7	14.5	13.9	9.5
Japan	3.3	3.2	3.2	3.3	10.9	11.3	11.7	12.5	14.2	14.5	14.9	15.8
High Income Asia 2/	3.0	2.9	3.1	3.2	2.5	3.9	4.9	6.0	5.5	6.8	8.0	9.2
Middle East (W. Asia)	2.0	2.0	2.9	2.1	1.5	1.5	1.5	2.0	3.5	3.5	4.4	4.1
China	---	---	2.7	1.5	---	---	2.9	2.0	---	---	5.6	3.5
Other Asia	2.6	2.0	2.7	2.6	0.1	0.1	---	0.1	2.7	2.1	2.7	2.7
Africa	3.5	4.6	4.2	4.9	1.0	1.3	1.0	1.8	4.5	5.9	5.2	6.7
Latin America	3.6	6.3	6.1	6.2	3.7	3.6	3.6	6.5	7.3	9.9	9.7	12.7
Other	1.7	1.9	1.0	1.1	1.3	1.2	1.3	2.4	3.0	3.1	2.3	3.5
TOTAL	25.8	30.6	32.5	36.1	52.2	56.1	60.2	62.7	78.0	86.7	92.7	98.8

1/ Marketing year begins June 1 for wheat, barley, and oats and October 1 for corn and grain sorghum.

2/ Korea, Taiwan, Singapore, Hong Kong, Indoesia

U.S. exports of soybeans and soybean meal, by destination, 1976/77-1979/80 marketing years 1/

Destination	Soybeans				Soybean meal			
	1976/77	1977/78	1978/79	Forecast 1979/80	1976/77	1977/78	1978/79	Forecast 1979/80
	---Million metric tons---				---Million metric tons---			
West Germany	1.23	1.18	1.30	1.70	.19	.28	.28	.32
Netherlands	3.64	4.21	4.30	4.58	.94	1.23	1.14	1.15
Italy	.88	.98	.98	1.09	.48	.81	.70	.70
France	.50	.56	.66	.76	.14	.21	.35	.35
Other W. Europe	2.48	3.67	3.67	4.00	.41	.58	.68	.70
East Europe	.17	.57	.55	.55	.92	1.07	1.43	1.45
USSR	.89	.80	1.19	.68	---	---	.03	---
Japan	3.75	3.90	4.18	4.18	.22	.26	.20	.22
China	---	.05	.14	.50	---	---	---	---
Taiwan	78	.97	1.37	1.39	.02	---	---	---
Western Hemisphere	1.01	1.06	1.25	1.40	.75	.74	.91	.95
Others	.96	1.12	1.16	1.35	.09	.31	.21	.51
Total	16.29	19.07	20.76	22.18	4.16	5.49	5.92	6.35

1/ Marketing year begins September 1 for soybeans and October 1 for soybean meal.

U. S. and Soviet Grain Production and Trade

Marketing Year	U.S. Prod.	Total U.S. Exports	U.S. Exports to USSR 1/	USSR Prod.	Total USSR Imports 1/	U.S. Avg. Ann. Price 2/
	---Million metric tons---					---$/bu.---
1970/71						
Wheat	36.8	19.9	0	99.7	0.5	1.33
Coarse Grains	145.2	18.9	0	76.9	0.3	1.33
1971/72						
Wheat	44.1	16.9	0	98.8	3.5	1.34
Coarse Grains	188.3	24.5	2.9	72.6	4.3	1.08
1972/73						
Wheat	42.1	31.8	9.5	86.0	15.6	1.76
Coarse Grains	181.3	39.1	4.2	72.5	6.9	1.57
1973/74						
Wheat	46.6	32.9	2.7	109.8	4.5	3.95
Coarse Grains	186.1	40.4	5.2	101.0	6.4	2.55
1974/75						
Wheat	48.4	27.4	1.0	83.9	2.5	4.09
Coarse Grains	150.5	35.7	1.3	99.7	2.7	3.03
1975/76						
Wheat	57.8	31.7	4.0	66.2	10.1	3.56
Coarse Grains	184.7	50.0	9.9	65.8	15.6	2.54
1976/77						
Wheat	58.2	25.5	2.9	96.9	4.6	2.73
Coarse Grains	193.5	50.6	4.5	115.0	5.7	2.15
1977/78						
Wheat	55.4	30.6	3.3	92.2	6.7	2.33
Coarse Grains	203.4	56.3	9.2	92.6	11.7	2.02
1978/79						
Wheat	48.9	32.5	2.9	120.8	5.1	2.94
Coarse Grains	217.4	60.2	8.3	105.3	10.0	2.20
1979/80 3/						
Wheat	58.3	36.1	4/	86.0	9.8	3.60-3.90
Coarse Grains	233.9	62.7	4/	84.0	14.9	2.25-2.45

1/ July-June Year. 2/ Coarse grain price is for corn only. 3/ Forecast. 4/ The USSR may purchase up to 8 million tons of U.S. grain in the fourth agreement year (Oct. 1979-Sept. 1980).

Soviet Livestock Industry

Year	Numbers (as of January 1) Cattle	Hogs	Poultry	Total Meat Production
	--------Million head----------			--Million tons--
1970	95.2	56.1	590.3	12.3
1971	99.2	67.5	652.7	13.3
1972	102.4	71.4	686.5	13.6
1973	104.0	66.6	700.0	13.5
1974	106.3	70.0	747.7	14.6
1975	109.1	72.3	792.4	15.0
1976	111.0	57.9	734.4	13.6
1977	110.3	63.1	796.0	14.7
1978	112.7	70.5	882.3	15.5
1979	114.1	73.5	953.2	15.3 1/

1/ Estimate.

Total Grain Consumption and Stocks

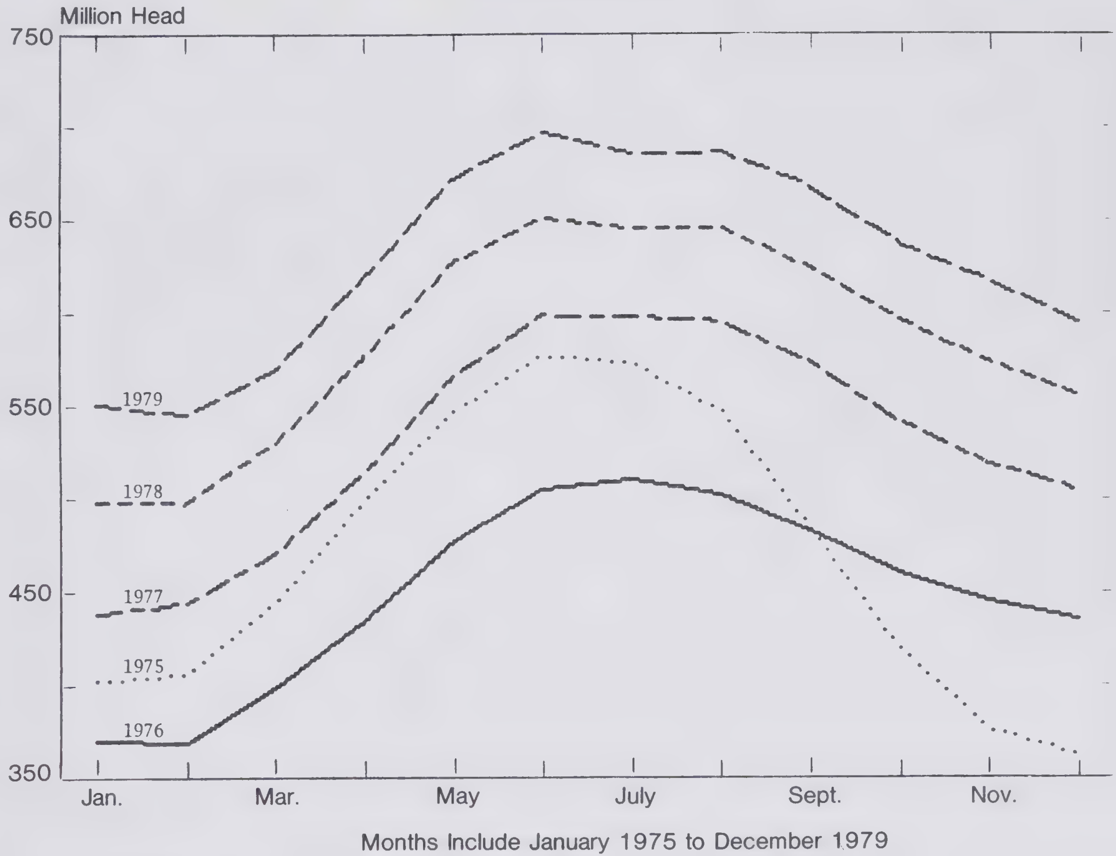
Year	Consumption: World Total	U.S.	USSR	Stocks: World	U.S.	U.S. Farmer-Owned Reserve 1/
	---Million metric tons---					
1970/71	1,138	164	187	166	56	---
71/72	1,166	175	181	183	74	---
72/73	1,191	181	187	141	48	---
73/74	1,251	177	214	147	31	---
74/75	1,217	141	206	134	28	---
75/76	1,238	154	180	140	37	---
76/77	1,305	152	221	196	62	---
77/78	1,339	161	227	191	75	20
78/79	1,415	179	231	227	73	27
79/80 2/	1,418	182	222	207	87	32

1/ Included in U.S. stocks total; instituted in 1977/78.
2/ U.S. and UUSR forecasts as of 1/15/80; world forecasts as of 1/17/80.

Monthly Export Inspections

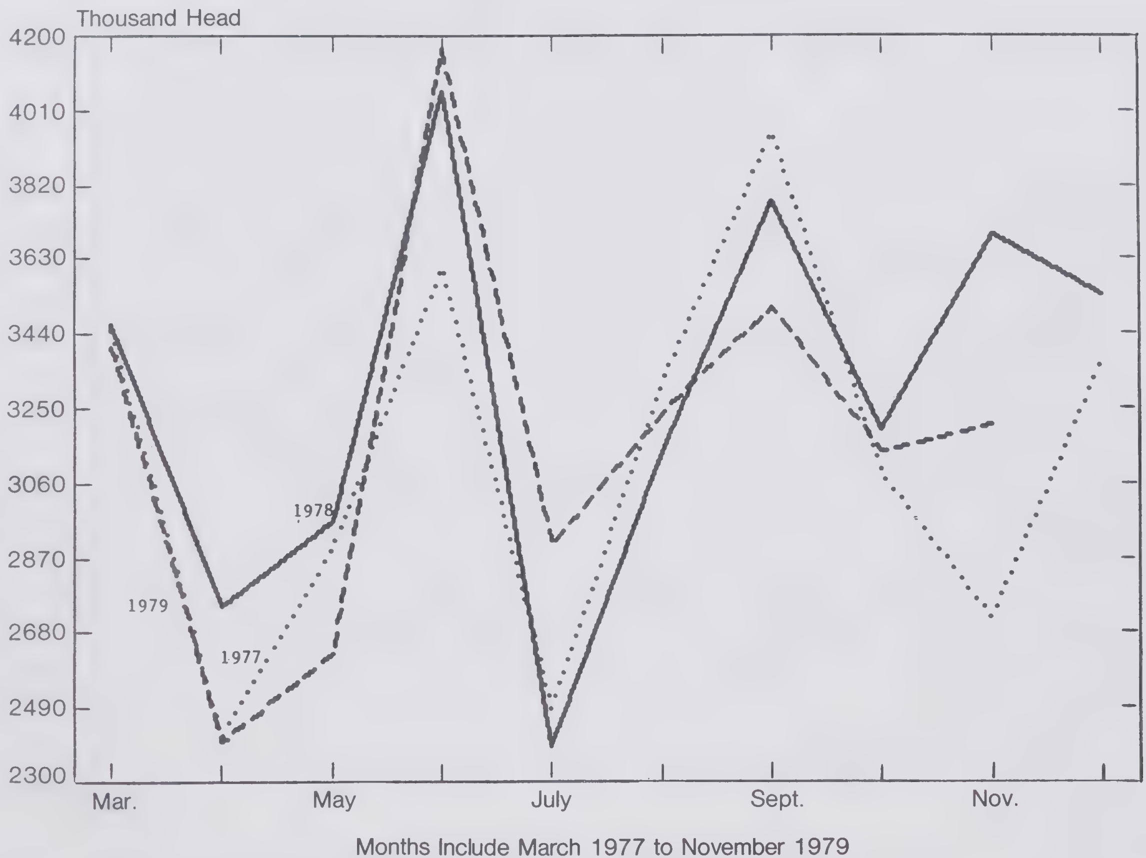
Month	Wheat			Corn		
	Total inspections	Shipped to USSR	% of Total	Total inspections	Shipped to USSR	% of Total
	---Million bushels---			---Million bushels---		
1978						
January	76.7	13.0	16.9	121.4	30.3	25.0
February	80.2	15.7	19.6	133.4	37.9	28.4
March	100.5	13.0	12.9	150.7	55.9	37.1
April	96.6	19.9	20.6	166.6	49.2	29.5
May	121.7	5.4	4.4	195.9	60.8	31.0
June	110.0	5.6	5.1	216.0	56.4	26.1
July	111.0	8.4	7.6	168.2	25.5	15.2
August	125.7	13.9	11.1	186.9	36.1	19.3
September	116.1	.8	.7	166.9	17.3	10.4
October	116.5	4.7	4.0	136.0	19.3	14.2
November	92.7	.9	1.0	155.6	9.8	6.3
December	91.5	4.0	4.4	157.0	6.2	3.9
Total	1,239.2	105.3	8.5	1,954.6	404.7	20.7
1979						
January	70.0	7.1	10.1	125.9	6.7	5.3
February	59.9	8.0	13.4	128.3	11.7	9.1
March	73.7	15.3	20.8	164.8	34.5	20.9
April	73.2	14.2	19.4	183.9	28.1	15.3
May	83.4	11.2	13.4	203.9	48.7	23.9
June	100.6	15.7	15.6	225.1	49.6	22.0
July	129.4	16.8	13.0	241.9	75.2	31.1
August	119.9	16.6	13.8	222.1	73.3	33.0
September	112.5	20.4	18.1	188.4	47.2	25.1
October	141.4	25.2	17.8	198.4	28.5	14.4
November	116.2	18.3	15.7	232.2	39.8	17.1
December	113.8	22.2	19.5	220.5	51.0	23.1
Total	1,194.0	191.0	16.0	2,335.4	494.3	21.2

Number of Poultry on Farms (USSR)



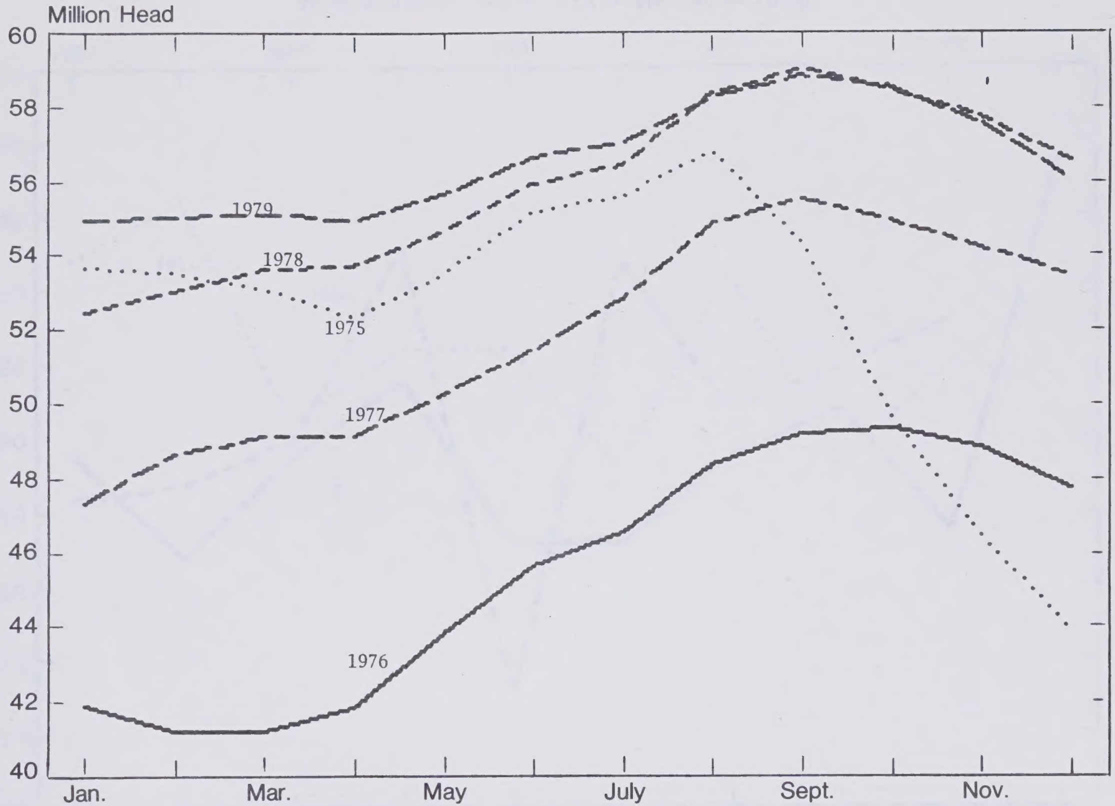
Socialized Sector

Number of Hogs Slaughtered Monthly (USSR)



U.S.S.R. State and Collective Farms

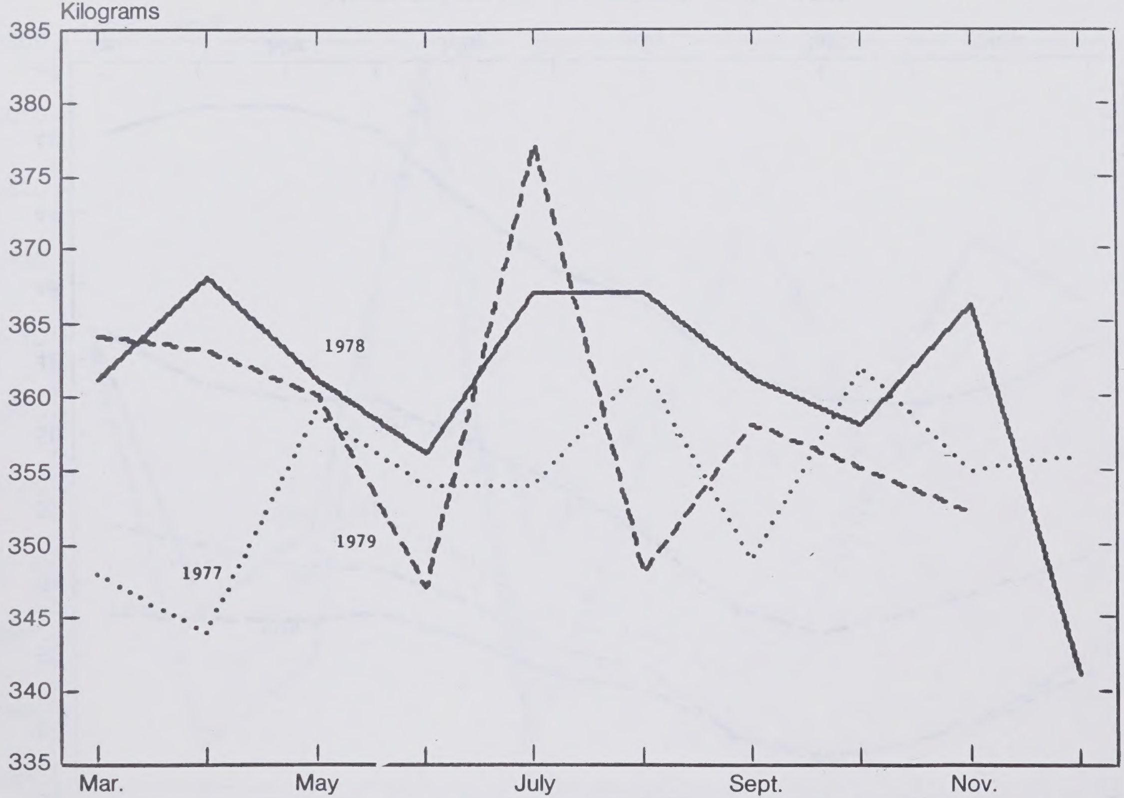
Number of Hogs on Farms (USSR)



Months Include January 1975 to December 1979

Socialized Sector

Average Weight of Slaughter Cattle (USSR)



Months Include March 1977 to November 1979

U.S.S.R. State and Collective Farms

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